

**CORPORATE INTEGRITY AGREEMENT
RIVERSIDE HEALTH SYSTEM, INC.**

This **CORPORATE INTEGRITY AGREEMENT** ("Agreement"), is entered into between Riverside Health System, Inc. d/b/a Riverside Hospital ("Riverside"), and the Office of the Inspector General of the United States Department of Health and Human Services ("HHS/OIG"). Pursuant to this Agreement, Riverside agrees to undertake the compliance obligations outlined below.

I. Preamble

Riverside agrees to implement a Corporate Integrity Program ("Program") to prevent fraud, abuse, and false billing to Medicare, Medicaid, and all other Federal health care programs¹ by Riverside, its employees, independent contractors and third parties who are directly involved in or responsible for the submission of claims to Medicare or Medicaid, or in the creation of billing policies or procedures. The Program shall be maintained so as to ensure that Riverside and each of its directors, officers, employees and contractors maintain the business integrity required of a participant in Medicare, Medicaid and other Federal health care programs, and that Riverside is in compliance with all laws and regulations applicable to such programs and with the terms of the Program set out below.

II. Corporate Integrity Policies and Code of Standards

The period of future compliance obligations assumed by Riverside under this Agreement shall be four (4) years from the date of execution of this Agreement. The annual submissions required under the Agreement shall be submitted on the anniversary date of the execution of this Agreement. All reports and notifications required under this Agreement shall be sent to: ATTN: Office of Counsel to the Inspector General, Civil Recoveries Branch - Compliance Unit, Office of the Inspector General, U.S. Department of Health and Human Services, Cohen Building Room 5527, 330 Independence Avenue, S.W., Washington, D.C. 20201 (202) 619-2078.

Riverside agrees to implement the following Program within thirty (30) days of the date of the effective date of this Agreement (which shall be the date of the last signature), unless otherwise specified below.

¹This term, as used throughout this Agreement, is defined in 42 U.S.C. § 1320a-7b(f), section 1128B(f) of the Social Security Act.

A. Corporate Compliance Committee

A corporate officer, appointed or hired by the Board of Directors of Riverside, shall be appointed as Chairman of a compliance committee that shall be responsible for the Corporate Integrity Program. The members of the Compliance Committee shall at least include the Chief Operating Officer of Riverside, a representative from the legal counsel's office, and an outside director of Riverside. The members of the Committee shall submit reports annually (or more frequently, if circumstances require) to the Board of Directors of Riverside and to HHS/OIG. The Compliance Committee shall develop a written billing policy manual that the Board of Directors will initially approve, and annually amend and/or ratify.

B. Billing and Contracting Procedures

Riverside shall contract with an independent professional organization, such as an accounting or law firm, that has expertise in Medicare and Medicaid reimbursement, including, but not limited to, Medicare principles of cost reporting to: 1) audit on an annual basis the Hospital's cost report, Part B claims, and Medicaid claims; 2) review the policies adopted by the Hospital to ensure they are consistent with all applicable Medicare and Medicaid statutes, regulations, and program manual requirements; and 3) conduct a review to ensure this Agreement has been properly implemented. The Part B and Medicaid claims shall be audited based upon a statistically valid sample. Failure to perform such a review in accordance with these terms will be considered a breach of this Agreement and, in addition to the consequences set forth herein for such a breach, may also result in the HHS/OIG or its designee conducting an audit at the expense of Riverside.

A certified copy of the report stating the scope and results of the review shall be sent on an annual basis to HHS/OIG at the address set forth above. The certification shall be executed by both the Chairman of the compliance committee and the firm that undertook the review.

If, at any time, Riverside discovers any material deficiencies of federal law or regulations concerning its practices, Riverside will report such material deficiency to HHS/OIG within thirty (30) days. A material deficiency will occur when: 1) there are instances involving more than an isolated billing error on a single claim; or 2) the Hospital

includes on the cost report any items or services previously identified by the fiscal intermediary as unallowable. Riverside's report will include: (a) its findings concerning any such material deficiencies; (b) its actions to correct such material deficiencies, including proof that any overpayment has been refunded (with interest if required); and (c) any further steps it plans to take to address such material deficiencies and prevent them from recurring in the future. A corrective action plan to remedy the material deficiency shall be in place within forty-five (45) days of identification of the material deficiency. Failure to submit a report notifying HHS/OIG of the material deficiency will be considered a breach of this Agreement. Neither the reporting of information, the adoption of a corrective action plan, nor any refunding of an overpayment pursuant to this subparagraph shall be deemed an admission by Riverside of any violation of any Federal or State law or regulation, a material breach of this Agreement, or of any other wrongdoing.

C. Corporate Compliance Policies

Riverside shall implement written policies regarding its commitment to ensure compliance with all reimbursement laws and regulations related to providers participating in Medicare, Medicaid, and Federal health care programs, including all laws related to cost reporting procedures and practices. Specifically, Riverside shall adopt a policy and procedure that will ensure that instruction from the fiscal intermediary or any other governmental representative (state or Federal) will be adhered to, and any billing practices identified as contrary to the laws, regulations, and policies will be immediately changed. Riverside shall include in the duties and responsibilities of the Chairman of the Compliance Committee the requirement that he or she oversee any and all communications from any government representative, that is specific to Riverside, concerning the submission of claims or cost reports to Medicare, Medicaid and any Federal health care program, to ensure that any directions are appropriately followed and implemented. In addition, Riverside shall adopt a policy that will set forth how bad debts should be accounted for in accordance with the fiscal intermediary's instructions.

These policies shall be adopted by the Board of Directors and distributed to all appropriate employees and independent contractors. Riverside shall post in a prominent place accessible to employees a notice detailing its commitment to comply with all applicable Medicare and Medicaid laws and regulations in the conduct of its

business. A copy of the policies and notice shall be included in the annual report to the HHS/OIG, with a certification that they are reviewed annually by the Board of Directors and Compliance Committee.

D. Education and Personnel Policies

Riverside shall establish and maintain an information and education program. The program shall be designed to ensure that each officer, director, and employee is aware of: 1) the hospital's commitment to adhere to all applicable reimbursement laws, specifically Medicare and Medicaid laws, regulations, and policies; 2) the provisions of this Agreement, including the consequences to Riverside that will ensue from any violation of such requirements; 3) the commitment to follow the instructions of those federal or state representatives responsible for claims administration; and 4) the fact that disciplinary action, including possible termination, will be taken by Riverside should an employee or contractor not adhere to the requirements of this Agreement or fail to take action that will ensure compliance with the reimbursement laws, regulations, and policies. Each officer, director, and employee shall receive at least two hours of training each year. A schedule and topic outline of the training, along with a list of individuals subject to this requirement, and a certification that they all attended the training, shall be included in the annual report submitted to HHS/OIG. All officers, directors, and employees shall be retrained annually and any new officers, directors, and employees shall be trained within ten (10) days of the effective date of their employment.

With respect to contractors, Riverside shall ensure that each contractor is aware of Riverside's policies and procedures and its commitment to adhere to all applicable Federal and state laws, regulations, and policies concerning reimbursement. In addition, Riverside shall ensure that with respect to those contractors that have duties or responsibilities that relate, directly or indirectly, to coding or submission of claims, that they provide proof to Riverside that they have engaged in appropriate and regular training that is consistent with the requirements set forth in the previous paragraph.

To the extent applicable, performance plans shall include factors in their evaluation criteria to assure Riverside's compliance with this Agreement and accurate cost reporting and claims submission. Riverside shall also adopt disciplinary procedures that shall address the consequences of failing to comply with such requirements for all

individuals covered under this Agreement. Officers, directors, employees, or contractors using any device or means to engage in any conduct in violation of applicable laws or regulations shall be subject to Riverside's disciplinary procedure, including possible termination of the contract or employment. The disciplinary procedures shall be included in the annual report submitted to HHS/OIG.

E. Confidential Disclosure Program

Riverside shall establish a confidential disclosure program enabling employees to disclose to an identified individual not in that employee's direct chain of command any practices or billing procedures deemed by the employee to be inappropriate. Anonymity and confidentiality shall be maintained to the maximum extent possible. Riverside shall, as part of the program, require the internal review of any such disclosure and ensure that proper follow-up is conducted.

All complaints shall be investigated and resolved by employees who are appropriately trained and do not report, directly or indirectly, to the person(s) being investigated. Riverside shall make adequate resources available to ensure that the investigations are reasonably and properly completed. Riverside's annual report to HHS/OIG shall contain summary information regarding the general nature of the complaints it received and a summary of the types of actions taken to verify and, if applicable, resolve, the complaints.

Riverside shall also ensure that the OIG's toll free phone line [(800) HHS-TIPS: (800)447-8477] is posted in conspicuous places throughout the hospital and therefore well publicized for patients, employees and contractors to report any procedures deemed by that individual to be inappropriate.

F. Dealing with Excluded or Convicted Persons or Entities.

Riverside shall not employ, with or without pay, or enter into a contract or business relationship with any individual or business entity whom Riverside knows or should have known: 1) has been convicted of a criminal offense which would trigger an exclusion pursuant to 42 U.S.C. § 1320a-7(a) or 42 U.S.C. § 1320a-7(b), unless that individual or entity has been reinstated; or 2) is listed by a federal agency as currently suspended, debarred, excluded or otherwise ineligible for federal program participation. In order to carry out this requirement, Riverside agrees to

make reasonable inquiry into the status of any potential employee, agent, or contractor, including review of HHS/OIG Cumulative Sanctions Report (available on the OIG's website at: [HTTP://WWW.DHHS.GOV/PROGORG/OIG](http://WWW.DHHS.GOV/PROGORG/OIG)), and the General Services Administrative (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs (accessible on the Internet at: [HTTP://WWW.ARNET.GOV/EPLS](http://WWW.ARNET.GOV/EPLS)).

III. OIG Inspection, Audit and Review Rights

In addition to any other right that HHS/OIG may have by statute, regulation, contract or pursuant to this Agreement, HHS or its duly authorized representative(s) may examine any of Riverside's non-privileged books, records, and other company documents and supporting materials for the purpose of verifying and evaluating: (a) Riverside's compliance with the terms of this Agreement; (b) Riverside's business conduct in its dealings with the United States Government, or any agencies or agents thereof; and (c) Riverside's compliance with the requirements of the Medicare and Medicaid programs and other Federal health care programs. The documentation described above shall be made available by Riverside at all reasonable times for inspection, audit or reproduction. Furthermore, for purposes of this provision, HHS or its authorized representative(s) may interview any Riverside employee who consents to be interviewed at the employee's place of business during normal business hours or at such other place and time as may be mutually agreed upon between the employee and HHS, provided that all communications with "controlling individuals," as that term is defined by DOJ regulations, are made through counsel representing Riverside. Employees, except "controlling individuals," may elect to be interviewed with or without a representative of Riverside present, but each employee shall expressly be advised of his or her right to have counsel present at the interview.

IV. Document and Record Retention

Riverside shall maintain for inspection all documents and records relating to this Agreement and Medicare and Medicaid reimbursement for a period of at least five (5) years following the execution of this Agreement.

V. Confidentiality

The confidentiality of all documents and other information provided by Riverside in connection with its obligations under this Agreement shall be maintained by HHS/OIG except to the extent disclosure is required by law. HHS/OIG recognizes that certain information submitted to it under this Agreement may constitute trade secrets or confidential commercial or financial

information within the meaning of section 552(b) of the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552(b)(4). Riverside shall identify all records that it contends falls within this section. To the extent that HHS/OIG determines that submitted records fall within the ambit of this exemption, HHS/OIG agrees to follow its pre-disclosure notification procedures set out in 45 C.F.R. § 5.65 with respect to such records. These procedures include prior notice to Riverside of any potential release of records under the FOIA and an opportunity to provide information as to why the information is exempt under 5 U.S.C. § 552(b)(4). Riverside will also be given advance notice if HHS/OIG decides that any such information is not exempt under this section 556(b)(4).

VI. Breach and Default Provisions

Riverside's compliance with the terms and conditions of this Agreement shall constitute an element of Riverside's present responsibility with regard to participation in Medicare, Medicaid and Federal health care programs. A breach by Riverside of any of its obligations under this Agreement may constitute a separate cause for exclusion, subject to any relevant defenses.

In the event that HHS/OIG believes Riverside has breached one or more of its obligations under the Agreement, HHS/OIG shall notify Riverside of the alleged breach by certified mail, specifying the nature and extent of the alleged breach. Riverside will have thirty (30) days from receipt of the notice to: (a) cure said breach; or (b) otherwise satisfy the government that (1) it is in full compliance with this Agreement or (2) the breach cannot be reasonably cured with 30 days, but that Riverside has taken action to cure the breach and is pursuing such action with diligence.

If, at the end of the thirty (30) day period described above, HHS/OIG determines that Riverside continues to be in breach of one or more of its obligations under this Agreement, and that Riverside is not taking appropriate action to cure such breach, HHS may, through its Office of the Inspector General, declare Riverside to be in default of this Agreement and may seek to exclude or suspend Riverside from participation in Title XVIII (Medicare) program, the Title XIX (Medicaid) program and other Federal health care programs. The document stating HHS/OIG's intention to exclude shall be hereafter referred to as the "Notice of Intention to Exclude Letter."

In addition, if at the end of the thirty (30) day period described above, HHS/OIG determines that Riverside continues to be in breach of one or more of its obligations under this Agreement, HHS/OIG may also seek to exclude the Chairman of the Compliance Committee.

Upon receipt of HHS/OIG's-Notice of Intention to Exclude Letter, Riverside and/or the Chairman of the Compliance Committee shall be entitled to the due process afforded a provider under 42 U.S.C. section 1320a-7(f). Notwithstanding any provision of Title 42 of the United States Code or Chapter 42 of the Code of Federal Regulations, the only issues in a proceeding for exclusion based on a breach of this Agreement shall be: (1) whether there was a breach of one or more of the obligations under this Agreement at the time of and as specified in the Notice of Intention to Exclude Letter; (2) whether such breach was continuing on the date on which HHS/OIG notified Riverside or the Chairman of the Compliance Committee of its proposal to exclude; and (3) whether Riverside failed to cure the breach or otherwise satisfy HHS/OIG within thirty (30) days after receiving notice thereof from HHS/OIG. Once there has been a decision by the Administrative Law Judge to exclude Riverside and/or the Chairman of the Compliance Committee, the exclusion shall be implemented immediately, and any reinstatement must be done in accordance with 42 C.F.R. § 1001.3001.

VII. Notices

All notices or correspondence to Riverside shall be sent to:

Robert Dixon, CEO and President
Riverside Health System, Inc.
2622 W. Central Ave.
Wichita, Kansas 67203-4999
316) 946-8550


VIII. Modification

Riverside and HHS/OIG agree that any modification to this Agreement must be made by written consent of the undersigned.

IN WITNESS WHEREOF, the parties hereto affix their signatures

FOR THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

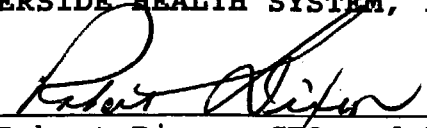
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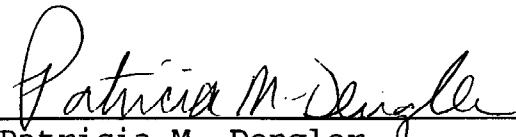
Lewis Morris
Assistant Inspector General for
Legal Affairs
Office of Counsel to the Inspector General

FOR RIVERSIDE HEALTH SYSTEM, INC.

6-5-98
Date


Robert Dixon, CEO and President
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2622 W. Central Ave.
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6-5-98
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